



Mission

The Missouri Public Service Commission (PSC) regulates investor-owned public utilities operating in Missouri. The PSC has the statutory responsibility for ensuring that customers receive adequate amounts of safely delivered and reasonably priced utility services at rates that will provide the companies' shareholders with the opportunity to earn a reasonable return on their investment. The PSC must balance a variety of often competing private interests to ensure the overall public interest.

Jurisdiction and Goals

The Missouri Public Service Commission was created in 1913 by the Public Service Commission Law, now Chapter 386 of the Missouri Revised Statutes. Today, the PSC regulates over 1,000 investor-owned electric, natural gas, steam, telephone, and water and sewer utilities. In addition, the PSC regulates the state's 47 rural electric cooperatives and 42 municipally-owned natural gas utilities for operational safety. The PSC also regulates the manufacturers and dealers of manufactured homes and modular units.

The PSC also oversees service territory issues involving investor-owned electric utilities, rural electric cooperatives and municipally-owned electric utilities as well as investor-owned water and sewer utilities and public water supply districts. Under federal law, the PSC acts as a mediator and arbitrator of local telephone service disputes regarding interconnection agreements.

Virtually every Missouri citizen receives some form of utility service from an investor-owned public utility company. Utility services and infrastructure are essential to the economy of Missouri. They provide heating and cooling during extreme temperatures. They offer access to emergency services and vital information systems. They provide safe drinking water and assure the environmentally sound disposal of wastewater. Because utilities fulfill these essential needs, the PSC must assure the ratepaying public that quality services will be available on a nondiscriminatory basis at just and reasonable rates.



PSC Commissioners meet in agenda sessions--open to the public--to discuss, consider evidence and vote on pending utility cases.

Commissioners

The PSC consists of five commissioners who are appointed by the Governor with the advice and consent of the Missouri Senate. The Governor designates one member as the Chair who serves in that capacity at the pleasure of the Governor.

Commissioners are appointed to six-year terms. These terms are staggered so that no more than two terms expire in any given year.

The PSC is both quasi-judicial and quasi-legislative. The PSC is responsible for deciding cases brought before it and for the promulgation of administrative rules and their enforcement. Many of the PSC's duties are performed by conducting hearings in contested cases, which by statute must be transcribed by a court reporter. Hearings are conducted in a trial-like setting using evidentiary standards under the Missouri Administrative Procedures Act. The PSC must render decisions in a timely manner to afford all parties procedural and substantive due process, and comply with statutory time limits.

The PSC Staff

The Commission is assisted by a staff of professionals in the fields of accounting, consumer affairs, economics, engineering, finance, law and management. Duties range from helping individual consumers with complaints to investigating multi-million dollar utility rate requests.

The Staff participates as a party in all cases before the PSC. It conducts audits of the books and records of utilities and makes recommendations to the PSC as to what type of rate increase, if any, should be granted. PSC Staff recommendations, like those filed by other parties to a proceeding, are evaluated by the Commissioners in reaching a decision in a complaint case or rate case. The PSC has established standards for safety and quality of service to which companies must adhere. Routine and special investigations of utilities are conducted by the PSC Staff to ensure compliance.

Legislation

The 2005 General Assembly approved and the Governor signed three major pieces of legislation that will have a direct impact on the Public Service Commission.

SS/SCS/SB 179 provides the Public Service Commission with the authority to implement rules for periodic rate adjustments, between rate cases, for electric, natural gas and water corporations. Electric companies will be allowed to recover costs for fuel, purchased power and environmental compliance. Natural gas companies will be allowed to recover costs on usage variations for weather/conservation and environmental compliance. Water companies would be allowed to recover costs for environmental compliance. The Commission has the power to approve, modify or reject any adjustment mechanism after hearing and considering all relevant factors. The PSC is implementing this legislation through a collaborative rulemaking process with all interested stakeholders.

CCS/HCS/SS/SCS/SB 237 provides greater pricing flexibility for telephone companies. Other components of the bill make it easier for companies to qualify for price cap regulation; allow for customer-specific pricing for business service in competitive exchanges; and provide greater flexibility in targeting special promotions for existing customers.

HCS/SS/SCS/SB 462 modifies the Commission's authority to seek the appointment of a receiver for certain small water and sewer utilities. Under the bill, the Commission may appoint an interim receiver at the same time it determines that a circuit court petition seeking the appointment of a receiver should be filed. The Commission may order a "capable public utility" to acquire the assets of a certain small sewer corporation or small water corporation pursuant to a complaint action filed with the Commission.

The PSC will be opening a rulemaking docket for consideration of rules that may be needed to implement the provisions of the "ordered acquisition" authority.

Public Information and Education Department

In Fiscal Year 2005, the Public Information and Education Department issued 234 press releases on Commission-related activities. During the past fiscal year, the Public Information and Education Department expanded its catalog of consumer fact sheets designed to provide information to ratepayers. The department currently has a library of 37 different fact sheets. In its fourth year, the department's quarterly "*Consumer Connection*" newsletter provides utility-related information pieces for consumers.

The department provides key support during local public hearings by facilitating an open question-and-answer session prior to the actual local public hearing. This allows consumers the opportunity to ask questions about a rate case before the Commission. The department produces detailed information sheets that are used at these local public hearings.

The Public Information and Education Department also operates a list service, which allows the media and consumers to receive press releases and other consumer information electronically as soon as they are issued.

Each year, the Public Information and Education Department coordinates the Public Service Commission booth at the Missouri State Fair in Sedalia. The booth gives consumers from across the state an opportunity to speak one-on-one with PSC Staff about any utility questions and/or problems.

Since 2001, the department has visited local schools, talking to elementary students about how to be safe around electricity.